

**SCHOOL DISTRICT
OF
MANNINGTON TOWNSHIP**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Mannington Township Board of Education

Salem, New Jersey

For the Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**Mannington Township Board of Education
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For the Fiscal Year Ended June 30, 2015

Prepared by

**Mannington Township Board of Education
Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE MANNINGTON TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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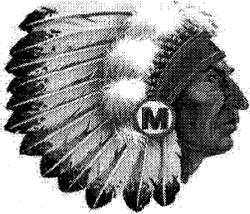
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INTRODUCTORY SECTION



Mannington Township School

495 Route 45
Mannington, NJ 08079
phone 856-935-1078
fax 856-935-3747

Ms. Kristin Williams
Chief School Administrator

Mrs. Karen Mathews
Business Administrator

November 17, 2015

Honorable President and
Members of the Board of Education
Mannington Township School District
Salem County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Mannington Township School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Mannington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Mannington Township Board of Education and its one school constitute the District's reporting entity. Mannington Township School District provides a full range of educational services appropriate to grade levels Pre-K through Eighth grade. These include regular, as well as special education for handicapped students. Our students in grades 9-12 are sent to Salem High School in a sending/receiving relationship. Tuition and transportation are paid for by the Mannington Township Board of Education. The Mannington Township School District completed the 2014-2015 fiscal year with an enrollment of 181 students, which was 3 more students than in the prior year. The following changes in the student enrollment of the District over the last ten years show a leveling off for the later years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	181	1.68%
2013-14	178	-2.19%
2012-13	182	8.98%
2011-12	167	-1.76%
2010-11	170	-10.9%
2009-10	191	9.14%
2008-09	172	(1.14)%
2007-08	174	13.73%
2006-07	154	(3.39)%
2005-06	159	(12.64)%

2. ECONOMIC CONDITION AND OUTLOOK:

Mannington Township is showing, and will continue to show, a limited increase in new housing. The Township houses many of the county government facilities, i.e., emergency management, the county jail, the County Vocational Technical School and Prep Center, plus numerous churches and the Memorial Hospital of Salem County. A large percentage of land is locked from building by the Farmland Preservation Act, wetlands designation, plus the Mannington Meadows (a National Wildlife Preserve). The Township is experiencing limited growth in industry and professional establishments. At the current time, at least two developers have applied to build multi-home developments within the community. It is anticipated, that that once the building process is underway, the district enrollment will increase.

3. MAJOR INITIATIVES:

Student scores on state and independent assessments remained stable with a large percentage of the student population scoring in the proficient and high proficient range for grades 1-8. Continued utilization of the ESI (Early Screening Inventory) is assisting in identifying areas of need for our Pre-K and Kindergarten classes. The district continues to focus professional development in the areas of literacy, reading, writing, HIB, and technology.

Mannington Township School offers a full day Pre-K and Kindergarten programs that utilize "Tools of the Mind" and NJCCCS respectively. Curriculums are consistently monitored and aligned accordingly to NJCCCS and differentiated instruction is a key focus in lessons through all disciplines.

The Mannington School continues to provide and ensure a safe and healthy learning environment for staff and students. The recent safety upgrades included a new remote door lock system and upgrades in building communication. A Safety Committee meets quarterly to review procedures and plans in order to optimize school safety.

During the 2014-2015 school year, the district continued to concentrate on early identification of academic issues with students in our Pre-K through Third Grade classes. RTI (Response to Intervention) continued to be refined and utilized to help address academic issues that students were having. The district also heavily invested through professional development and school wide initiatives in the areas of harassment, intimidation, and bullying. Parents, students, staff, and administration were presented information and training through workshops, assemblies, and activities to help the school climate remain bully free. In the area of technology the Mannington School is utilizing online reports and assessments, laptop carts, and Smartboards. Curriculum is infused with technology and lessons can be enhanced through the use of the computers. Several technology based programs have been purchased, such as IXL (math program) and Accelerated Reader to aid in the enhancement of lessons and used as supplemental resources by our teaching staff. The needs of all students are considered in both regular and special education, including resource center programs and inclusion settings, with a full range of related services being offered.

The parent-paid tuition rate is competitive with surrounding districts and allows parents outside of Mannington Township a reasonable and affordable choice within the county for their child (children's) education. The number of parent-paid tuition students has been fairly constant over the past several years, even with choice schools being offered in Salem County.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

4. INTERNAL ACCOUNTING CONTROLS (CONT'D):

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

7. DEBT ADMINISTRATION:

On March 1, 2006, the Mannington Township Board of Education issued \$2,218,000 in bonds for the renovation of the elementary school, of which the balance as of June 30, 2015 was \$1,463,000. There was no other authorized or outstanding bonded debt as of June 30, 2015.

During 1998-1999 the Board approved the issuance of a capital lease in the amount of \$400,000 to fund roof replacement to the school building. As of June 30, 2015, the outstanding principal amount of said capital lease was \$0.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Mannington Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

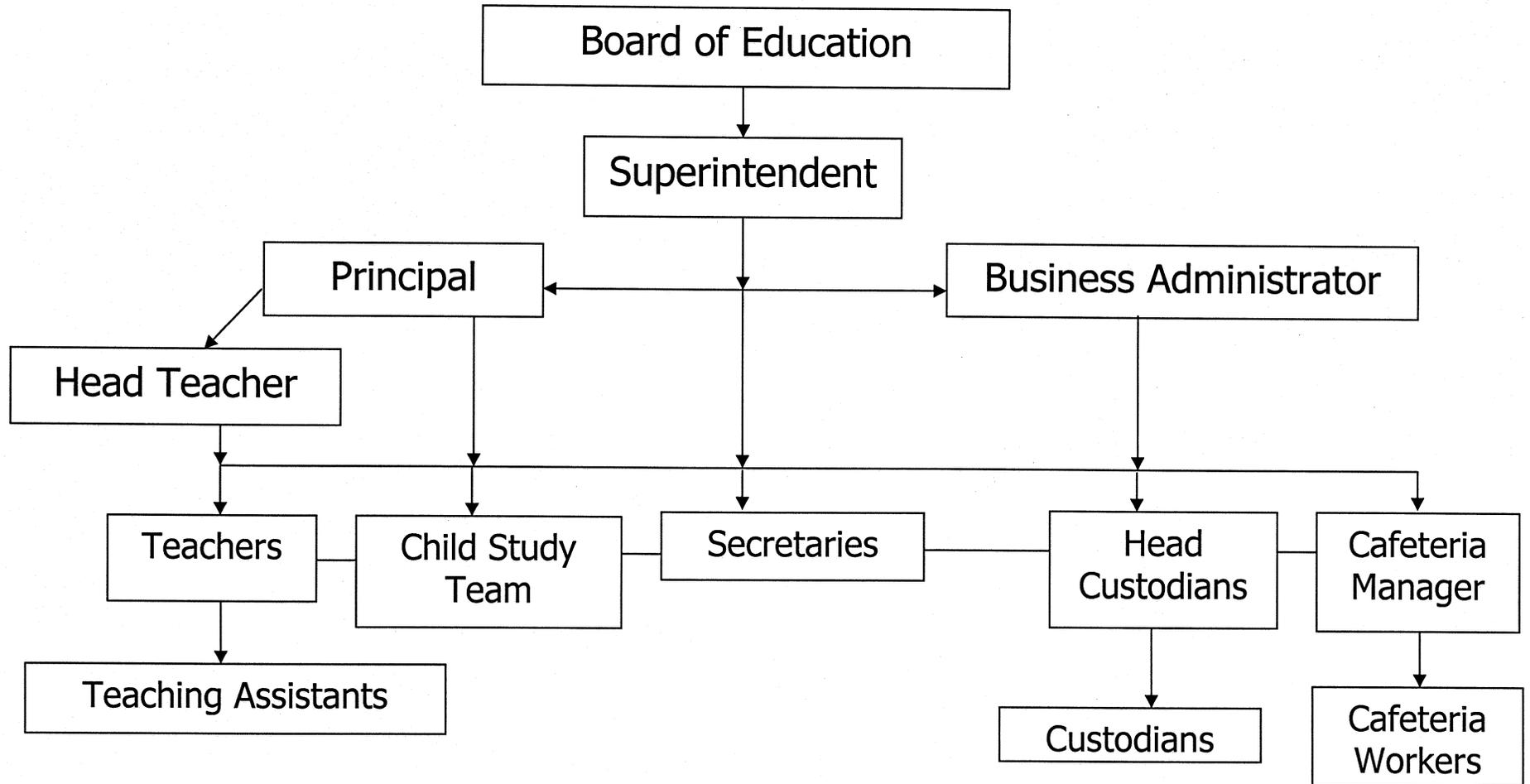


Kristin Williams, Chief School Administrator



Karen Mathews
Business Administrator/Board Secretary

Mannington Township School Organizational Chart



MANNINGTON TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Patricia Skwirut, President	2016
Carmen Porter, Vice President	2017
Jennifer VanDover	2015
Melanie Richman	2015
Cynthia Shimp	2016
Eric Buzby	2017
Courtney Heritage	2017

OTHER OFFICIALS

Mrs. Constance McAllister, Superintendent (To: July 1, 2015)

Ms. Kristin Williams, Chief School Administrator (From: July 1, 2015)

Ms. Kristin Williams, Principal (To: June 30, 2015)

Mrs. Donna Dolbow, Business Administrator (To: June 30, 2015)

Karen Matthews, Business Administrator (From: July 1, 2015)

Mr. Mark Toscano, Esquire, Solicitor

MANNINGTON TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Mr. Mark G. Toscano, Esq.
Comegno Law Group, PC
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

OFFICIAL DEPOSITORY

The Bank
Route 45
Salem, New Jersey 08079

INSURANCE AGENCY

Conner Strong Co., Inc.
PO Box 358
Bridgeton, New Jersey 08302

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 17, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Mannington Township School District
County of Salem, New Jersey 08079

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mannington Township School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Mannington Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Mannington Township School District in the County of Salem, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 19 and 49 through 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mannington Township School District's financial statements as a whole. The accompanying introductory section and other supplementary information such as the combining and individual non-major fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state assistance is presented for purposes of additional analysis as required by New Jersey OMB's Circular 04-04, and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and is also not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 17, 2015 on our consideration of the Mannington Township School District Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Mannington Township School District Management Discussion and Analysis

(Unaudited)

This section of the Mannington Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2015. Comparative information between the current year (2014-15) and the prior year (2013-14) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status and performance.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the *district-wide statements*, with the focus on operations.
- The *governmental fund statements* tell how *basic* services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.
- *Proprietary fund statements* offer *short- and long-term* financial information about activities the District operates *like businesses*.
- *Fiduciary fund statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include *notes* that explain various information in the statements and provide more detail. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Key financial highlights for 2015 are as follows:

- General revenues accounted for \$3,759,308 in revenue or 90% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$392,696 or 10% percent to total revenues of \$4,152,004.
- Total net position of governmental activities increased by \$282,243, comprised of changes in various assets and liabilities. The net position of the Business-type Activities increased by \$1,367.

- The School District had \$3,868,374 in expenses, of which only \$392,696 of these expenses were offset by program specific charges for services, grants or contributions. Revenues (primarily federal awards, state aid and property taxes) of \$4,152,004 were adequate to provide for these programs. These revenues and expenses include the Business-type Activities.
- The General Fund had \$3,444,477 in revenues, \$3,212,208 in expenditures and no other net financing uses during the year. The General Fund's balance increased \$206,269 over 2014, which included a transfer to the Food Service Fund of \$26,000. This increase was anticipated by the Board of Education as fund balance was used to balance the budget.

District-wide Financial Statements – Reporting the School District as a Whole

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and changes in that position. Net position – the difference between the District's assets and liabilities – are one way to measure the District's overall financial position.

This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Internal Service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements, as these assets may not be used to finance the District's operations.

The School District as a Whole

Table 1 provides a comparative summary of the School District's net position for the years ended in 2014 and 2015.

Table 1
Net Position

	2015	2014
Assets		
Current and Other Assets	\$ 513,565	\$ 320,049
Capital Assets, Net	1,358,475	1,471,376
Total Assets	<u>1,872,040</u>	<u>1,791,425</u>
Deferred Outflows of Resources	<u>59,805</u>	
Liabilities		
Current Liabilities	26,614	46,896
Long-term Liabilities	2,329,194	1,712,204
Total Liabilities	<u>2,355,808</u>	<u>1,759,100</u>
Deferred inflows of Resources	<u>121,481</u>	
Net Position		
Invested in Capital Assets, Net of Debt	(104,525)	(128,690)
Restricted	274,249	111,476
Unrestricted	(715,168)	49,539
Total Net Position	<u>\$ (545,444)</u>	<u>\$ 32,325</u>

Table 2 shows the changes in net position from fiscal years 2015 and 2014.

Table 2
Changes in Net Position

	2015	2014
Revenues		
Program Revenues		
Charges for Services	\$ 41,257	\$ 42,708
Operating Grants	351,439	405,400
General Revenues		
Property Taxes	2,706,642	2,539,162
Grants and Entitlements	985,912	620,492
Other	66,754	65,503
Total Revenues	4,152,004	3,673,265
Program Expenses		
Instruction	1,244,027	1,281,546
Tuition	507,963	527,318
Pupil and Instructional Staff	294,313	326,640
General Administration, School		
Administration, Business	268,312	265,770
Operations and Maintenance of Facilities	208,516	217,577
Pupil Transportation	215,638	199,350
Employee Benefits	973,975	763,130
Interest on Debt	63,995	70,214
Food Service	91,635	89,404
Total Expenses	3,868,374	3,740,949
Increase in Net Position	283,630	(67,684)
Less: Fixed Asset Adjustment		
Net Increase in Net Position	\$ 283,630	\$ (67,684)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the \$3,761,186 in Governmental revenue, District's Property taxes made up 72% of these revenues for governmental activities. Restricted and Unrestricted Federal, state and local grants accounted for another 26.2% and other revenues accounted for 1.8%. The total cost of services, as shown below, was \$3,776,739. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$3,452,943. Instruction comprises 33.9% of these District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$ 1,244,027	\$ 1,171,623	\$ 1,281,546	\$ 1,193,181
Tuition	507,963	507,963	527,318	527,318
Pupil and Instructional Staff	294,313	219,868	326,640	253,808
General administration, school administration, business	268,312	268,312	265,770	265,770
Operation and maintenance of facilities	208,516	208,516	217,577	217,577
Pupil Transportation	215,638	215,638	199,350	199,350
Employee Benefits	973,975	797,028	763,130	543,132
Interest and fiscal charges	63,995	63,995	70,214	70,214
Total Expenses	<u>\$ 3,776,739</u>	<u>\$ 3,452,943</u>	<u>\$ 3,651,545</u>	<u>\$ 3,270,350</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Pupil transportation includes activities involved with the conveyance of students to and from school and other activities, as provided by state law, as well as internal service fund expenses.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Business-Type Activities

Revenues for the District's business-type activities (Food Service program) were comprised of charges for services and federal and state reimbursements.

- Expenses exceeded program revenues by \$22,735. This deficit was anticipated by the board, as surplus was available from the prior year.
- Charges for services represent \$29,448 of revenue, which was a decrease of \$1,560 from the prior year. This represents amount paid by patrons for daily food services activities. There was no other non-operating revenue.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$39,452.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (general fund, special revenue fund, capital projects and debt service fund-based statements) had total revenues of \$3,792,369, expenditures of \$3,559,741 and another net financing use reporting \$26,000 transferred to the Food Service Fund during the year. The net positive change in fund balance for the year was \$206,628, which demonstrates that the District was fully able to meet current operating costs without the use of fund balance. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) from 2014	Percent Increase/ (Decrease)
Local Sources	\$ 2,775,274	73.18%	\$ 170,609	6.55%
State Sources	929,991	24.52%	52,748	6.01%
Federal Sources	87,104	2.30%	(25,640)	-22.74%
	<u>\$ 3,792,369</u>	<u>100.00%</u>	<u>\$ 197,717</u>	<u>5.52%</u>

The increase in Local sources is attributed to increases in the general fund local tax levy of \$166,689, the debt service tax levy of \$791, tuition revenue of \$1,970 and other miscellaneous revenues of \$1,159.

The increase in State sources of \$52,748 is attributed to increases in general fund aid of \$56,171, increase in debt service aid of \$408, offset by an decrease in restricted state grants of \$3,831.

The above schedule includes the last state aid payments for 2013-2014 of \$65,633 received in July 2014 and does not include the last state aid payments for 2014-2015 received in July 2015 in the amount of \$48,411.

The decrease in Federal sources is due to changes in various grants. In addition, the 2014 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2014	Percent Increase (Decrease)
Current:				
Instruction	\$ 1,171,752	32.92%	\$ (37,073)	-3.07%
Undistributed expenditures	2,173,508	61.06%	(82,466)	-3.66%
Capital Outlay	9,726	0.27%	(18,793)	-65.90%
Debt Service:				
Principal	137,066	3.85%	7,164	5.51%
Interest	67,689	1.90%	(5,965)	-8.10%
Total	<u>\$ 3,559,741</u>	<u>100.00%</u>	<u>\$ (137,133)</u>	<u>-3.78%</u>

The increase in instructional expenditures is attributed to an increase in expenses for regular instruction of \$47,333, offset by a decrease in special education instruction of \$83,559 and other instruction of \$847.

The increase in undistributed expenditures was due to increases in administration/central services costs of \$2,646 and pupil transportation expenses of \$16,288, offset by decreases in student instruction related services of \$32,319, tuition costs of \$19,355, maintenance cost of \$8,984 and employee benefit costs of \$40,742.

The decrease in capital outlay of \$18,793 is attributed to decreased capital expenditures for equipment.

The change in debt service results from increased principal payments and declining interest cost.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- Staffing changes based on student needs.
- Additional costs for student transportation both in regular education and special education.
- Changes in maintenance and operations.
- Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$189,047 as shown on Exhibit C-1.

- Actual revenues were \$1,459 less than expected, excluding on-behalf pension and social security reimbursements of \$230,719, due to various state aid allotments and miscellaneous revenues.
- Actual expenditures were \$292,305 less than expected. This excludes state on-behalf pension and social security reimbursements of \$230,719 and reflects favorable variances in most expenditure accounts.

Capital Assets

At the end of the fiscal year 2015, the School District had \$1,356,103 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2015</u>	<u>2014</u>
Land	\$ 6,207	\$ 6,207
Land Improvements	12,345	15,338
Building and Improvements	1,281,402	1,390,981
Machinery and Equipment	58,521	58,850
Totals	<u>\$ 1,358,475</u>	<u>\$ 1,471,376</u>

Overall capital assets decreased by \$112,901 from fiscal year 2014 to fiscal year 2015. The Decrease consisted of \$120,749 in depreciation expense and a food service fund retirement of \$1,878, offset by additions of \$9,726. The General fund portion was \$1,356,103 and the Food Service Enterprise Fund decrease was \$2,372.

Long-Term Debt:

At year-end, the District did not have any outstanding capital lease principal, school bonds in the amount of \$1,463,000 and compensated absences of \$73,825. There was no other outstanding authorized debt (Note 6). The remaining available amount of debt permitted to be authorized is \$4,693,737.

Factors Bearing on the District's Future

At the time the financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect the financial position in the future:

- Collective Bargaining unit is in effect until June 30, 2017
- State Formula Aid for the fiscal year 2014-2015 remained stable and it is still hopeful that the State will establish an aid formula that results in distribution based on a district performance plan and enrollment factor.
In addition, special revenues have been decreasing in the overall funds year to year. Mannington avails every possible grant prospect to increase and supply the best educational opportunities for students. Together in Education at Mannington (TEAM-parent group) has assisted the district by providing funds for field trips and sharing the cost of purchasing a Smartboard.

In conclusion, Mannington Township School District has remained committed to fiscal responsibility for many years. The district continues sound fiscal management practices to meet the requirements of the future and accepts the challenge to continue to find additional revenues to meet expenses requirements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Karen Matthews, Business Administrator, Mannington Township School District, 495 Route 45, Salem, NJ 08079.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 370,984	\$ 2,208	\$ 373,192
Receivables, Net	20,900	2,376	23,276
Restricted Assets:			
Capital Reserve Account - Cash	67,097		67,097
Maintenance Reserve Account - Cash	50,000		50,000
Capital Assets, Net (Note 6):	1,356,103	2,372	1,358,475
Total Assets	1,865,084	6,956	1,872,040
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	59,805		59,805
Total Deferred Outflows	59,805		59,805
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,312		5,312
Accrued Interest Payable	20,394		20,394
Unearned Revenue		908	908
Net Pension Liability	792,369		792,369
Noncurrent Liabilities:			
Due Within One Year	126,575		126,575
Due Beyond One Year	1,410,250		1,410,250
Total Liabilities	2,354,900	908	2,355,808
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	121,481		121,481
Total Deferred Inflows	121,481		121,481
NET POSITION			
Invested in Capital Assets, Net of Related Debt (Deficit)	(106,897)	2,372	(104,525)
Restricted for:			
Capital Reserve	67,097		67,097
Maintenance Reserve	50,000		50,000
Excess Surplus	162,388		162,388
Special Revenue (Deficit)	(5,241)		(5,241)
Other Purposes	5		5
Unrestricted (Deficit)	(718,844)	3,676	(715,168)
Total Net Position (Deficit)	\$ (551,492)	\$ 6,048	\$ (545,444)

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities						
Instruction:						
Regular	\$ 1,153,334	\$	72,404	\$ (1,080,930)	\$	(1,080,930)
Special Education	90,145			(90,145)		(90,145)
Other instruction	548			(548)		(548)
Support Services:						
Tuition	507,963			(507,963)		(507,963)
Student & Instruction Related Services	294,313	11,809	62,636	(219,868)		(219,868)
General and Business Administrative Services	84,324			(84,324)		(84,324)
School Administrative Services	94,505			(94,505)		(94,505)
Central Services	89,483			(89,483)		(89,483)
Plant Operations and Maintenance	208,516			(208,516)		(208,516)
Pupil Transportation	215,638			(215,638)		(215,638)
Employee Benefits	973,975		176,947	(797,028)		(797,028)
Interest on Long-term Debt	63,995			(63,995)		(63,995)
Total Governmental Activities	3,776,739	11,809	311,987	(3,452,943)		(3,452,943)
Business-type Activities:						
Food Service	91,635	29,448	39,452		(22,735)	(22,735)
Total Business-type Activities	91,635	29,448	39,452		(22,735)	(22,735)
Total Primary Government	\$ 3,868,374	\$ 41,257	\$ 351,439	(3,452,943)	(22,735)	(3,475,678)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				2,571,505		2,571,505
Taxes Levied for Debt Service				135,137		135,137
Federal and State Aid not Restricted				985,912		985,912
Tuition Received				62,267		62,267
Investment Earnings				1,134		1,134
Miscellaneous Income				5,231		5,231
Fixed Asset Adjustment					(1,878)	(1,878)
Transfer				(26,000)	26,000	
Total General Revenues, Special Items, Extraordinary Items and Transfers				3,735,186	24,122	3,759,308
Change in Net Position				282,243	1,387	283,630
Net Position—Beginning (Restated)				(833,735)	4,661	(829,074)
Net Position—Ending				\$ (551,492)	\$ 6,048	\$ (545,444)

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Debt Service	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 387,338	\$ (16,359)	\$ 5	\$ 370,984
Cash - Capital Reserve	67,097			67,097
Cash - Maintenance Reserve	50,000			50,000
State Aid Receivable	174			174
Federal Aid Receivable		16,430		16,430
Receivables from Other Governments	4,296			4,296
Total Assets	\$ 508,905	\$ 71	\$ 5	\$ 508,981
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$	\$ 5,312	\$	\$ 5,312
Total Liabilities		5,312		5,312
Fund Balances:				
Restricted For:				
Capital Reserve	67,097			67,097
Maintenance Reserve	50,000			50,000
Excess Surplus	162,388			162,388
Assigned to Year-End Encumbrance	27,657			27,657
Unassigned, Reported In:				
General Fund	201,763			201,763
Special Revenue Fund		(5,241)		(5,241)
Debt Service Fund			5	5
Total Fund Balances	508,905	(5,241)	5	503,669
Total Liabilities and Fund Balances	\$ 508,905	\$ 71	\$ 5	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,777,931 and the accumulated depreciation is \$1,421,828 (Note 6).	1,356,103
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 7).	(1,536,825)
Deferred Outflow of Resources - Deferred Pension Contribution	59,805
Deferred Inflows of Resources - Pension Actuarial Gains	(121,481)
Long Term Net Pension Liability	(792,369)
Accrued Interest on Bonds not payable until the next year	(20,394)
Net position of governmental activities	\$ (551,492)

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local Tax Levy	\$ 2,571,505	\$	\$ 135,137	\$ 2,706,642
Tuition from Other LEAs	46,267			46,267
Tuition from Individuals	16,000			16,000
Interest Earned	1,134			1,134
Miscellaneous	1,967	3,264		5,231
Total Local Sources	2,636,873	3,264	135,137	2,775,274
State Sources	807,604	52,769	69,618	929,991
Federal Sources		87,104		87,104
Total Revenues	3,444,477	143,137	204,755	3,792,369
EXPENDITURES				
Current:				
Regular Instruction	1,011,946	72,404		1,084,350
Special Education Instruction	87,264			87,264
Other Instruction	138			138
Support Services:				
Tuition	507,963			507,963
Student & Instruction Related Services	200,871	62,636		263,507
General Administration	76,658			76,658
School Administrative Services	90,636			90,636
Central Services	84,469			84,469
Plant Operations and Maintenance	195,799			195,799
Pupil Transportation	215,638			215,638
Employee Benefits	733,526	5,312		738,838
Capital Outlay	7,300	2,426		9,726
Debt Service:				
Principal			137,066	137,066
Interest and Other Charges			67,689	67,689
Total Expenditures	3,212,208	142,778	204,755	3,559,741
Excess (Deficiency) of Revenues Over Expenditures	232,269	359		232,628
OTHER FINANCING SOURCES (USES)				
Transfers Out - Food Service Fund	(26,000)			(26,000)
Total Other Financing Sources and Uses	(26,000)			(26,000)
Net Change in Fund Balances	206,269	359		206,628
Fund Balance—July 1	302,636	(5,600)	5	297,041
Fund Balance—June 30	\$ 508,905	\$ (5,241)	\$ 5	\$ 503,669

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2) \$ 206,628

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$	(120,538)	
Capital Outlays		9,726	
			(110,812)

Pension Expense recognized for GAAP but not for Budgetary purposes.

In the statement of activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid. 38,313

Repayment of capital lease principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of net position. 37,066

Repayment of Serial Bond principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of net assists. 100,000

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 7,354

In the statement of activities, interest on long term debt is accrued, regardless of when due, In the Governmental funds, interest is reported when due for payment. 3,694

Change in net position of governmental activities (A-2) **\$ 282,243**

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities Enterprise Fund		Governmental Activities Internal Service Fund
	Food Service	Total Enterprise	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,208	\$ 2,208	\$
Accounts Receivable	2,376	2,376	
Total Current Assets	4,584	4,584	
Noncurrent Assets:			
Furniture, Machinery & Equipment	3,318	3,318	
Less Accumulated Depreciation	(946)	(946)	
Total Noncurrent Assets	2,372	2,372	
Total Assets	\$ 6,956	\$ 6,956	\$
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Unearned Revenue	\$ 908	\$ 908	\$
Total Current Liabilities	908	908	
Net Position			
Invested in Capital Assets, Net of Related Debt	2,372	2,372	
Unrestricted	3,676	3,676	
Total Net Position	6,048	6,048	
Total Liabilities & Net Position	\$ 6,956	\$ 6,956	\$

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Fund		Governmental Activities Internal Service Fund
	Food Service	Totals	
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$ 20,134	\$ 20,134	
Food Sales Non-Reimbursable Programs	9,314	9,314	
Other Charges for Service			11,809
Total Operating Revenue:	29,448	29,448	11,809
Operating Expenses:			
Cost of Sales	65,047	65,047	
Salaries	23,423	23,423	
Salaries-Other Professional			7,022
Employee Benefits	1,767	1,767	4,787
General Supplies	1,183	1,183	
Other Purchased Services	4	4	
Depreciation	211	211	
Total Operating Expenses	91,635	91,635	11,809
Operating Income (Loss)	(62,187)	(62,187)	
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	695	695	
Federal Sources:			
National School Lunch Program	24,291	24,291	
School Breakfast Program	5,683	5,683	
Food Distribution Program	8,783	8,783	
Total Non-operating Revenues (Expenses)	39,452	39,452	
Fixed Asset Adjustment	(1,878)	(1,878)	
Income (Loss) Before Contributions & Transfers	(24,613)	(24,613)	
Transfers In (Out)	26,000	26,000	
Change in Net Position	1,387	1,387	
Total Net Position - Beginning	4,661	4,661	
Total Net Position - Ending	\$ 6,048	\$ 6,048	

The accompanying Notes to Financial Statements are an integral part of this statement.

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities		Governmental Activities Internal Service Fund
	Enterprise Funds		
	Food Service	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 29,448	\$ 29,448	\$ 11,809
Payments to Employees	(23,423)	(23,423)	(7,022)
Payments for Employee Benefits	(1,767)	(1,767)	(4,787)
Payments to Suppliers	(65,973)	(65,973)	
Net Cash Provided by (Used for) Operating Activities	(61,715)	(61,715)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	695	695	
Federal Sources	38,757	38,757	
Operating Transfer In-General Fund	26,000	26,000	15,266
Net Cash Provided by (Used for) Non-capital Financing Activities	65,452	65,452	15,266
Net Increase (Decrease) in Cash and Cash Equivalents	3,737	3,737	15,266
Balances—Beginning of Year	(1,529)	(1,529)	(15,266)
Balances—End of Year (Cash Overdraft)	\$ 2,208	\$ 2,208	
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (62,187)	\$ (62,187)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	211	211	
(Increase) Decrease in Accounts Receivable, Net	22	22	
Increase (Decrease) in Interfund Payable			
Increase (Decrease) in Unearned Revenue	239	239	
Total Adjustments	472	472	
Net Cash Provided by (Used for) Operating Activities	\$ (61,715)	\$ (61,715)	

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

MANNINGTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency Fund</u>	<u>Student Activity</u>
ASSETS		
Cash and Cash Equivalents	\$ 22,908	\$ 19,082
Total Assets	<u>\$ 22,908</u>	<u>\$ 19,082</u>
LIABILITIES		
Payable to Student Groups Medical Reimbursement Plan	\$ 22,908	\$ 19,082
Total Liabilities	<u>\$ 22,908</u>	<u>\$ 19,082</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Mannington Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the district is to educate students in grades Pre K-8. The Mannington Township School District had an approximate enrollment at June 30, 2015 of 181.

Business Administrator/Board Secretary services are contracted with the Alloway School District including responsibility for the administrative control of the district.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: (continued)

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (continued)

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The district currently has no capital projects and, therefore, has not included a capital projects fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District.

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund. The School Age Child Care Program was eliminated in the prior year.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund - Equipment

12 Years

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FIDUCIARY FUNDS

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and Scholarship Funds, if any.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds. This includes a Flexible Medical Spending Plan.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus: (continued)

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board(GASB) and the pronouncements of the Financial Accounting Standards Board(FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2012-13, 2013-14, and 2014-15 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Assets, Liabilities and Equity: (continued)

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. At June 30, 2015, there was no ending inventory in the Food Service Fund.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The District receives federal commodity food for meal service provided through a vended meal contract.

Capital Assets

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Equipment	5-10

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences: (continued)

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district-wide Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

N. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

P. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2015.

Q. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

R. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

S. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

T. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

U. Net Position:

Net Position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

W. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Revenues – Exchange and Non-exchange Transactions: (continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

X. New Accounting Standards:

The District adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 67, however, does not have any impact on the School District's financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.
- In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

X. New Accounting Standards: (continued)

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 69, *Government Combinations and Disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the School District's financial statements, although no impact is expected.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2015, the District had no funds on deposit with the New Jersey Cash Management.

Deposits: N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2015, the School District's bank balance of \$614,474 was subject to custodial credit risk as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>364,474</u>
Total	\$ <u>614,474</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 532,279

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Mannington Board of Education by inclusion of \$1,000 on September 12, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 17,071
Interest Earnings	26
Deposits - Approved by Resolution	<u>50,000</u>
Ending Balance, June 30, 2015	<u>\$ 67,097</u>

The balance in Capital Reserve is within the June 30, 2015 LRFP maximum balance of local support costs of uncompleted capital projects of \$156,259.

NOTE 5. OPERATING LEASES

The District leases copiers under operating leases. The terms of the contracts call for monthly or quarterly payments. The future minimum lease payments required under the lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 3,487
Total	<u>\$ 3,487</u>

The total operating lease payments made during the year ended June 30, 2015 were \$6,972.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 6,207	\$ -	\$ -	\$ 6,207
Total Capital Assets not being Depreciated	6,207			6,207
Land Improvements	46,965		(1,500)	45,465
Building and Building Improvements	2,587,944		1,500	2,589,444
Machinery and Equipment	129,183	9,726	(2,094)	136,815
Totals at Historical Cost	2,764,092	9,726	(2,094)	2,771,724
Less Accumulated Depreciation for:				
Land Improvements	(31,627)	(1,493)		(33,120)
Building and Improvements	(1,196,963)	(111,079)		(1,308,042)
Equipment	(74,794)	(7,966)	2,094	(80,666)
Total Accumulated Depreciation	(1,303,384)	(120,538)	2,094	(1,421,828)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	1,460,708	(110,812)		1,349,896
Government Activities Capital Assets, Net	\$ 1,466,915	\$ (110,812)	\$ -	\$ 1,356,103
	To A-1			To A-1
Business-type Activities - Equipment	\$ 8,567		\$ (5,249)	\$ 3,318
Less Accumulated Depreciation	(4,106)	(211)	3,371	(946)
Business-type Activities Capital Assets, Net	\$ 4,461	\$ (211)	\$ (1,878)	\$ 2,372
Depreciation expense was charged to governmental functions as follows:				
Instruction:				
Regular		\$ 68,984		
Special Education		2,881		
Other Instruction		410		
Support Services:				
Student & Instruction Related Services		18,997		
School Administration		7,666		
General & Business Administrative Services		3,869		
Central Services		5,014		
Plant Operations and Maintenance		12,717		
Total Depreciation Expense			\$ 120,538	

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectable in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Enterprise Fund	Special Revenue Fund	Internal Service Funds
Receivables:				
Intergovernmental	\$ 4,470	\$ 2,237	\$ 16,430	\$
	\$ 4,470	\$ 2,237	\$ 16,430	\$

NOTE 8. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Serial Bonds	\$ 1,563,000	\$ -	\$ 100,000	\$ 1,463,000	\$ 110,000	\$ 1,353,000
Obligations under capital lease	37,066		37,066			
Compensated absences payable	112,138		38,313	73,825	16,575	57,250
Total other liabilities	\$ 1,712,204	\$ -	\$ 175,379	\$ 1,536,825	\$ 126,575	\$ 1,410,250

A. Bonds Payable – As of June 30, 2015, the Board had Bonds Payable in the amount of \$1,463,000, which were issued on March 1, 2006.

Principal and interest due on bonds outstanding is as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 110,000	\$ 61,389	\$ 171,389
2017	115,000	56,989	171,989
2018	120,000	52,389	172,389
2019	125,000	47,589	172,589
2020	130,000	42,277	172,277
2021	135,000	36,752	171,752
2022	140,000	31,014	171,014
2023	145,000	25,064	170,064
2024	145,000	18,902	163,902
2025	150,000	12,739	162,739
2026	148,000	6,364	154,364
	\$ 1,463,000	\$ 391,467	\$ 1,854,467

B. Bonds Authorized But Not Issued – As of June 30, 2015, the District had no bonds authorized but not issued.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8. GENERAL LONG-TERM DEBT (CONT'D)

C. Capital Leases – During the year ended June 30, 2000, the Board of Education entered into a lease purchase agreement in the amount of \$400,000 for the purpose of replacing the roof and any other repairs associated with the roofing project. The lease term is 15 years, and bears interest at the rate of 6.204%. The last payment for this lease was made in 2013-14 year.

NOTE 9. MAINTENANCE RESERVE

In June of 2015, the Board elected to establish a maintenance reserve in the amount of \$50,000.

NOTE 10. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$339,888 and revenue of \$339,888 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10. PENSION PLANS (CONT'D)

Public Employees' Retirement System (PERS) (Cont'd) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$27,535.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	24,916	
Net difference between projected and actual earnings on pension plan investments		47,221
Changes in proportion and differences between District contributions and proportionate share of contributions		74,260
District contributions subsequent to the measurement date	34,889	
Total	\$ 59,805	\$ 121,481

\$34,889 reported as deferred outflows of resources related to pensions resulting from school district or contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at June 30, 2013 and 2014 are as follows:

		6/30/2014	6/30/2013
Collective deferred outflows of resources	\$	1,032,618,058	\$
Collective deferred inflows of resources		1,726,631,532	
Collective net pension liability		14,665,837,859	15,190,834,283
District's Proportion		0.4232121600	0.4692098000

Significant Legislation - P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10. PENSION PLANS (CONT'D)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Three-Year Trend Information for PERS

<u>Year Funding</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
6/30/15	\$	34,889	100	%	\$ 34,889
6/30/14		39,366	100		39,366
6/30/13		39,263	100		39,263

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
6/30/15	\$	152,879	100	%	\$ 0
6/30/14		131,975	100		0
6/30/13		160,874	100		0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$59,084 to the TPAF for TPAF pension contributions and \$93,795 for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$77,840 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 12. COMPENSATED ABSENCES

The School District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the school district and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the district wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, there was no liability for compensated absences in the Food Service Fund.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is as follows:

Lincoln Investments
Travelers Insurance Company
ING

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances as shown on the various audit exhibits at June 30, 2015.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund - Of the \$508,905 General Fund balance at June 30, 2015, \$67,097 is restricted for Capital Reserve; \$27,657 is assigned for Encumbrances; \$50,000 was restricted as Maintenance Reserve; \$162,388 was restricted as excess surplus at June 30, 2015 in accordance with N.J.S.A. 18A:7F-7; of which none has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2015; and \$201,763 is unreserved and undesignated.

Debt Service Fund - The unrestricted and undesignated Debt Service fund balance at June 30, 2015 is \$5.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess surplus fund balance of \$162,388 at June 30, 2015, must be budgeted in the 2016-17 budget.

NOTE 18. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 19. DEFICIT FUND BALANCES

The District has a deficit fund balance in the Special Revenue Fund of \$5,241 as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. The deficit of \$5,241 is equal to the 19th and 20th payments received in July 2015.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 20. RETRO ACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$	27,664
Prior Period Adjustment - Implementation GASB 68:		
Net Pension Liability (measurement date)		(896,753)
Net Deferred Outflows		35,354
Net Position as restated, July 1, 2014	\$	<u>(833,735)</u>

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,571,505	\$	\$ 2,571,505	\$ 2,571,505	\$
Tuition from Individuals	50,000		50,000	46,267	(3,733)
Tuition from Other LEAs	15,000		15,000	16,000	1,000
Interest on Capital Reserve	60		60	26	(34)
Interest on Investments				1,108	1,108
Miscellaneous	1,941		1,941	1,967	26
Total - Local Sources	2,638,506		2,638,506	2,636,873	(1,633)
State Sources:					
Equalization Aid	33,846		33,846	33,846	
Categorical Transportation Aid	117,432		117,432	117,432	
Categorical Special Education Aid	101,080		101,080	101,080	
Categorical Security Aid	29,905		29,905	29,905	
Adjustment Aid	274,086		274,086	274,086	
Non-public Transportation				174	174
PARCC Readiness Aid	1,570		1,570	1,570	
Per Pupil Growth Aid	1,570		1,570	1,570	
On-Behalf TPAF Post Retirement Medical Contrib (non-budgeted)				93,795	93,795
On-Behalf TPAF Pension Contribution (non-budgeted)				59,084	59,084
Reimbursement TPAF Social Security (non-budgeted)				77,840	77,840
Total - State Sources	559,489		559,489	790,382	230,893
Federal Sources:					
Education Jobs Fund					
Total - Federal Sources					
TOTAL REVENUES	3,197,995		3,197,995	3,427,255	229,260
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	27,069	1,083	28,152	26,128	2,024
Kindergarten	109,119	1,615	110,734	106,097	4,637
Grades 1-5	425,430	7,597	433,027	431,939	1,088
Grades 6-8	306,159	(12,330)	293,829	292,438	1,391
Regular Programs - Undistributed Instruction:					
Salaries of Teachers	1,000		1,000		1,000
Other Salaries for Instruction	26,825	(400)	26,425	25,588	837
Regular Programs - Home Instruction:					
Purchased Professional-Educational Services	25,270	330	25,600	25,600	
Purchased Technical Services	27,353	7,005	34,358	33,928	430
Other Purchased Services	20,550	7,000	27,550	26,587	963
General Supplies	23,235	45,898	69,133	42,626	26,507
Other Objects	1,000	16	1,016	1,015	1
Total Regular Programs - Instruction	\$ 993,010	\$ 57,814	\$ 1,050,824	\$ 1,011,946	\$ 38,878

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:					
Special Education - Instruction:					
Multiple Disabilities					
Salaries of Teachers	\$	\$	\$	\$	\$
General Supplies					
Total Multiple Disability					
Resource Room/Resource Center					
Salaries of Teachers	91,121	(2,000)	89,121	85,816	3,305
General Supplies	2,100		2,100	1,448	652
Total Resource Room/Resource Center	93,221	(2,000)	91,221	87,264	3,957
Total Special Education - Instruction	93,221	(2,000)	91,221	87,264	3,957
Basic Skills/Remedial - Instruction					
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction					
School Sponsored Co-curricular Activities					
Purchased Services	100		100	85	15
Other Objects	1,000		1,000	53	947
Total School Sponsored Co-curricular Activities	1,100		1,100	138	962
Total Instruction	1,087,331	55,814	1,143,145	1,099,348	43,797
Undistributed Expenditures:					
Instruction					
Tuition - Other LEAs Within the State - Regular	274,316		274,316	274,316	
Tuition - Other LEAs Within the State - Special	12,700		12,700	12,700	
Tuition - County Voc. School Dist. - Regular	49,500	(8,000)	41,500	40,332	1,168
Co.Spec.Services and Regional Day Schools	122,775	(63,706)	59,069	49,494	9,575
Tuition - Private Schools/Disabled Within State	107,781		107,781	98,815	8,966
Tuition - State Facilities		32,306	32,306	32,306	
Total Instruction	567,072	(39,400)	527,672	507,963	19,709
Attendance and Social Work Services:					
Salaries	2,080	9	2,089	2,089	
Total Attendance and Social Work Services	\$ 2,080	\$ 9	\$ 2,089	\$ 2,089	

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Health Services:					
Salaries	\$ 36,769	\$	\$ 36,769	\$ 35,903	\$ 866
Purchased Professional/Technical Services	3,000		3,000	2,802	198
Supplies and Materials	1,400	635	2,035	1,941	94
Total Health Services	41,169	635	41,804	40,646	1,158
Other Support Services-Students-Related Services:					
Purchased Professional/Educational Services	34,414	10,425	44,839	44,838	1
Total Other Support Serv-Students-Related Services	34,414	10,425	44,839	44,838	1
Special Education - Extraordinary Services					
Salaries	89,555	(1,425)	88,130	69,639	18,491
Purchased Professional/Educational Services	1,500		1,500	880	620
Total Special Education - Extraordinary Services	91,055	(1,425)	89,630	70,519	19,111
Other Support Services - Students - Regular:					
Supplies and Materials					
Total Other Support Services - Students - Regular					
Other Support Services-Students-Special Services:					
Salaries of Secretarial and Clerical Assistants		3,400	3,400	3,384	16
Purchased Professional/Educational Services	24,280		24,280	15,386	8,894
Miscellaneous Purchased Services	200		200		200
Supplies and Materials	200		200		200
Total Other Support Serv-Students-Special Services	24,680	3,400	28,080	18,770	9,310
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	17,340	68	17,408	17,408	
Other Purchased Services	250		250		250
Total Improvement of Instruction Services	17,590	68	17,658	17,408	250
Educational Media Services/School Library:					
Salaries		972	972	933	39
Purchased Professional/Technical Services	2,000	628	2,628	1,838	790
Supplies and Materials	2,500	(1,600)	900	898	2
Total Educational Media Services/School Library	\$ 4,500	\$	\$ 4,500	\$ 3,669	\$ 831

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Instructional Staff Training Services:					
Purchased Professional/Educational Services	\$ 317	\$	\$ 317	\$ 298	\$ 19
Other Purchased Services	1,000	1,790	2,790	2,634	156
Total Instructional Staff Training Services	1,317	1,790	3,107	2,932	175
Support Services - General Administration:					
Salaries	33,135	(3,399)	29,736	29,596	140
Legal Fees	500	350	850	827	23
Audit Fees	11,415		11,415	11,415	
Other Purchased Professional Services	15,250	4,900	20,150	16,819	3,331
Communications/Telephone	6,050	(500)	5,550	5,276	274
Other Purchased Services		9,150	9,150	7,880	1,270
General Supplies	600		600	101	499
BOE In-House Training/Meeting Supplies	100		100		100
BOE Other Purchased Services	8,900	(8,900)			
Miscellaneous Expenditures	4,500	(1)	4,499	2,364	2,135
BOE Membership Dues and Fees	3,000		3,000	2,380	620
Total Support Services - General Administration	83,450	1,600	85,050	76,658	8,392
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	69,360	273	69,633	69,632	1
Salaries of Secretarial/Clerical Assistants	20,228	128	20,356	20,353	3
Supplies and Materials	2,000	(54)	1,946	651	1,295
Total Support Services - School Administration	91,588	347	91,935	90,636	1,299
Central Services:					
Salaries	14,045		14,045	12,634	1,411
Purchased Professional Services	62,740	(300)	62,440	61,560	880
Purchased Technical Services	8,500	770	9,270	9,270	
Miscellaneous Purchased Services	300		300	130	170
Supplies and Materials	1,000	(150)	850	575	275
Miscellaneous Expenditures	800	(320)	480	300	180
Total Central Services	87,385		87,385	84,469	2,916

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Increase in Maintenance Reserve	\$	\$	\$	\$	\$
Salaries	27,387	108	27,495	27,494	1
Cleaning, Repair and Maintenance Services	12,000	(1)	11,999	7,229	4,770
General Supplies	5,000	(107)	4,893	1,360	3,533
Total Required Maintenance for School Facilities	44,387		44,387	36,083	8,304
Undistributed Expenditures - Custodial Services					
Salaries	70,232		70,232	68,787	1,445
Purchased Professional/Technical Services	17,000	(2,000)	15,000	13,069	1,931
Cleaning, Repair and Maintenance Services	9,000	2,000	11,000	10,002	998
Insurance	13,000		13,000	12,471	529
Miscellaneous Purchased Services	500		500	165	335
General Supplies	7,000		7,000	5,135	1,865
Energy (Natural Gas)	28,000		28,000	22,740	5,260
Energy (Electricity)	28,000		28,000	27,347	653
Total Other Operation and Maint. of Plant Services	172,732		172,732	159,716	13,016
Total Operation and Maintenance of Plant Services	217,119		217,119	195,799	21,320
Student Transportation Services:					
Sal. For Pupil Trans (Bet Home & School)- Reg	6,800	109	6,909	6,861	48
Other Purchased Prof. And Technical Serv.	10,070		10,070	10,030	40
Contracted Services (Home/School) Vendors	161,810	(1,116)	160,694	154,560	6,134
Contracted Services (Not Home/School) Vendors	1,300	1,116	2,416	2,416	
Contracted Services (Regular Students) ESC's	19,000	(1,900)	17,100	14,921	2,179
Contracted Services (Special Education) ESC's	38,640		38,640	25,964	12,676
Contracted Services - Aid in Lieu of Payments- Non I	2,677	(1,759)	918	886	32
Total Student Transportation Services	240,297	(3,550)	236,747	215,638	21,109
Unallocated Benefits:					
Social Security Contributions	30,000		30,000	24,734	5,266
Other Retirement Contributions - PERS	40,000		40,000	34,918	5,082
Unemployment Compensation	6,500		6,500	6,184	316
Workmen's Compensation	18,788	(1,360)	17,428	17,428	
Health Benefits	582,000	(55,754)	526,246	403,283	122,963
Tuition Reimbursement	6,350		6,350	3,870	2,480
Other Employee Benefits	17,250		17,250	12,390	4,860
Total Unallocated Benefits	700,888	(57,114)	643,774	502,807	140,967
On-Behalf TPAF Post Retiremt. Medical Contrib.(non-budgeted)				93,795	(93,795)
On-Behalf TPAF Non-Contrib. Insurance (non-budgeted)				59,084	(59,084)
Reimbursed TPAF Soc. Sec. Contrib. (non-budgeted)				77,840	(77,840)
Total Undistributed Expenditures	2,204,604	(83,215)	2,121,389	2,105,560	15,829
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 3,291,935	\$ (27,401)	\$ 3,264,534	\$ 3,204,908	\$ 59,626

MANNINGTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 60	\$	\$ 60	\$	\$ 60
Equipment					
Undistributed Expenditures - Instruction		7,300	7,300	7,300	
Special Education - Instruction:					
Special Schools - (All Programs)		1,900	1,900		1,900
	<u>60</u>	<u>9,200</u>	<u>9,260</u>	<u>7,300</u>	<u>1,960</u>
Facilities Acquisition and Construction Services:					
Required Maintenance for School Facilities					
Total Facilities Acquisition and Construction Services					
TOTAL CAPITAL OUTLAY	<u>60</u>	<u>9,200</u>	<u>9,260</u>	<u>7,300</u>	<u>1,960</u>
TOTAL EXPENDITURES	<u>3,291,995</u>	<u>(18,201)</u>	<u>3,273,794</u>	<u>3,212,208</u>	<u>61,586</u>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	<u>(94,000)</u>	<u>18,201</u>	<u>(75,799)</u>	<u>215,047</u>	<u>290,846</u>
Other Financing Sources (uses):					
Transfer to Food Service	<u>(6,000)</u>	<u>(20,000)</u>	<u>(26,000)</u>	<u>(26,000)</u>	
Total Other Financing Sources	<u>(6,000)</u>	<u>(20,000)</u>	<u>(26,000)</u>	<u>(26,000)</u>	
Excess (deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(100,000)</u>	<u>(1,799)</u>	<u>(101,799)</u>	<u>189,047</u>	<u>290,846</u>
Fund Balances, July 1	<u>368,269</u>		<u>368,269</u>	<u>368,269</u>	
Fund Balances, June 30	<u>\$ 268,269</u>	<u>\$ (1,799)</u>	<u>\$ 266,470</u>	<u>\$ 557,316</u>	<u>\$ 290,846</u>
RECAPITULATION :					
Restricted Fund Balance:					
Capital Reserve				\$ 67,097	
Maintenance Reserve				50,000	
Excess Surplus				162,388	
Assigned to Year-End Encumbrances				27,657	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures					
Unassigned Fund Balance				<u>250,174</u>	
				557,316	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(48,411)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 508,905</u>	

MANNINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Federal Sources	\$ 87,733	\$ 23,350	\$ 111,083	\$ 107,204	\$ (3,879)
State Sources	52,410		52,410	52,410	
Other				3,264	3,264
Total Revenues	<u>140,143</u>	<u>23,350</u>	<u>163,493</u>	<u>162,878</u>	<u>(615)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	74,600	859	75,459	75,459	
General Supplies		17,660	17,660	17,045	(615)
Total Instruction	<u>74,600</u>	<u>18,519</u>	<u>93,119</u>	<u>92,504</u>	<u>(615)</u>
Support Services					
Salaries - Other Professional	1,546		1,546	1,546	
Employee Benefits	6,171	(859)	5,312	5,312	
Purchased Professional/Technical Services	57,826		57,826	57,826	
Supplies & Materials		3,264	3,264	3,264	
Total Support Services	<u>65,543</u>	<u>2,405</u>	<u>67,948</u>	<u>67,948</u>	
Facilities Acquisition and Construction Services:					
Instructional Equipment		2,426	2,426	2,426	
Total Facilities Acquisition and Construction Services		<u>2,426</u>	<u>2,426</u>	<u>2,426</u>	
Total Expenditures	<u>140,143</u>	<u>23,350</u>	<u>163,493</u>	<u>162,878</u>	<u>(615)</u>
Other Financing Sources (Uses)					
Total Outflows	<u>140,143</u>	<u>23,350</u>	<u>163,493</u>	<u>162,878</u>	<u>(615)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

MANNINGTON TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Explanation of Differences between Budgetary Inflows and Outflows and
 GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 3,427,255	[C-2] \$ 162,878
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(20,100)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.	65,633	5,600
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(48,411)	(5,241)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 3,444,477	[B-2] \$ 143,137
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,212,208	[C-2] \$ 162,878
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(20,100)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.		5,600
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(5,241)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 3,212,208	[B-2] \$ 143,137

REQUIRED SUPPLEMENTARY INFORMATION PART III

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.42320%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 792,369
District's Covered-Employee Payroll	\$ 277,149
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	285.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

	<u>2014</u>
Contractually Required Contribution	\$ 34,889
Contributions in Relation to the Contractually Required Contribution	<u>(34,889)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
 District's Covered-Employee Payroll	 \$ 277,149
Contributions as a Percentage of Covered-Employee Payroll	12.59%

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER'S PENSION PLAN

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.01181835%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 747
District's Covered-Employee Payroll	\$ 1,080,037
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	0.06912%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION PART III**

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
PENSION SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>NCLB</u>	<u>REAP</u>	<u>Safety</u>	<u>Sub-Total</u>	<u>Totals</u>	
	<u>Title I</u>			<u>Grant</u>	<u>Grant</u>	<u>Per</u>
	<u>Part A</u>			<u>E-1(2)</u>		
REVENUES:						
Federal Sources	\$ 29,907	\$ 19,471	\$	\$ 57,826	\$ 107,204	\$ 113,359
State Sources				52,410	52,410	56,001
Other			3,264		3,264	
Total Revenues	<u>29,907</u>	<u>19,471</u>	<u>3,264</u>	<u>110,236</u>	<u>162,878</u>	<u>169,360</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	24,595			50,864	75,459	75,672
Other Purchased Services						8,528
General Supplies		17,045			17,045	4,780
Total Instruction	<u>24,595</u>	<u>17,045</u>		<u>50,864</u>	<u>92,504</u>	<u>88,980</u>
Support Services:						
Salaries - Other Professionals				1,546	1,546	5,137
Employee Benefits	5,312				5,312	4,729
Purchased Professional/Technical Services				57,826	57,826	55,995
Supplies & Materials			3,264		3,264	
Total Support Services	<u>5,312</u>		<u>3,264</u>	<u>59,372</u>	<u>67,948</u>	<u>65,861</u>
Facilities Acquisition/Construction:						
Instructional Equipment		2,426			2,426	14,519
Total Facilities Acquisition/Construction		<u>2,426</u>			<u>2,426</u>	<u>14,519</u>
Total Expenditures	<u>\$ 29,907</u>	<u>\$ 19,471</u>	<u>\$ 3,264</u>	<u>\$ 110,236</u>	<u>\$ 162,878</u>	<u>\$ 169,360</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	Title IIA	Preschool Education Program	IDEA Part B	Part B Pre- School	Totals 2015
REVENUES:					
Federal Sources	\$ 5,768		\$ 51,370	\$ 688	\$ 57,826
State Sources		52,410			52,410
Other					
Total Revenues	5,768	52,410	51,370	688	110,236
EXPENDITURES:					
Instruction:					
Salaries of Teachers		50,864			50,864
Other Purchased Services					
General Supplies					
Total Instruction		50,864			50,864
Support Services:					
Salaries - Other Professionals		1,546			1,546
Employee Benefits					
Purchased Professional/Technical Services	5,768		51,370	688	57,826
Supplies & Materials					
Total Support Services	5,768	1,546	51,370	688	59,372
Facilities Acquisition/Construction:					
Instructional Equipment					
Total Facilities Acquisition/Construction					
Total Expenditures	\$ 5,768	\$ 52,410	\$ 51,370	\$ 688	\$ 110,236

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 50,864	\$ 50,864	
Total Instruction	<u>50,864</u>	<u>50,864</u>	
Support Services:			
Salaries of Supervisors of Instruction	1,546	1,546	
Total Support Services	<u>1,546</u>	<u>1,546</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 52,410</u>	<u>\$ 52,410</u>	

CALCULATION OF BUDGET & CARRYOVER

Total 2014-15 Preschool Education Aid Allocation	\$ 52,410	(1)
Add: Actual ECPA Carryover (June 30, 2014)		(2)
Add: Budgeted Transfer from General Fund 2014-15		(3)
Total Preschool Education Aid Funds Available for 2014-15 Budget	<u>52,410</u>	(4)
Less: 2014-15 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	<u>(52,410)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-	(6)
Add: June 30, 2015 Unexpended Preschool Education Aid		(7)
Less: 2014-15 Commissioner-approved Transfer to the General Fund		(8)
2014-15 Carryover - Preschool Education Aid	<u>\$ -</u>	(9)
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	<u>\$ -</u>	(10)

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services for the schools within the school district.

Internal Service Funds – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
B-6, B-7 AND B-8.**

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015 AND 2014

	Food Service Fund	Total	
		2015	2014
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 2,208	\$ 2,208	\$
Accounts Receivable:			
State	68	68	89
Federal	2,190	2,190	2,232
Other	118	118	77
Total Current Assets	4,584	4,584	2,398
Fixed Assets:			
Equipment	3,318	3,318	8,567
Accumulated Depreciation	(946)	(946)	(4,106)
Total Fixed Assets	2,372	2,372	4,461
Total Assets	6,956	6,956	6,859
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	908	908	669
Cash Overdraft			1,529
Total Current Liabilities	908	908	2,198
Total Liabilities	908	908	2,198
NET POSITION:			
Investment in Fixed Assets	2,372	2,372	4,461
Unrestricted	3,676	3,676	200
Total Net Position	\$ 6,048	\$ 6,048	\$ 4,661

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	Food Service Fund	Total	
		2015	2014
OPERATING REVENUES:			
Local Sources:			
Food Sales Reimbursable Programs	\$ 20,134	\$ 20,134	\$ 19,909
Food Sales Non-Reimbursable Programs	9,314	9,314	11,099
Total Operating Revenue	29,448	29,448	31,008
OPERATING EXPENSES:			
Cost of Sales	65,047	65,047	62,945
Salaries	23,423	23,423	23,082
Employee Benefits	1,767	1,767	1,766
General Supplies	1,183	1,183	719
Other Purchased Services	4	4	349
Depreciation	211	211	543
Total Operating Expenses	91,635	91,635	89,404
Operating Income/(Loss)	(62,187)	(62,187)	(58,396)
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	695	695	666
Federal Sources:			
National School Lunch Program	24,291	24,291	21,438
School Breakfast Program	5,683	5,683	5,880
USDA Commodities	8,783	8,783	7,921
Total Non-Operating Revenues	39,452	39,452	35,905
Fixed Asset Adjustment	(1,878)	(1,878)	
Change in Net Position before Operating Transfers In/(Out)	(24,613)	(24,613)	(22,491)
Operating Transfer In - General Fund	26,000	26,000	21,500
Net (Loss) Income	1,387	1,387	(991)
Net Position - July 1	4,661	4,661	5,652
Net Position - June 30	\$ 6,048	\$ 6,048	\$ 4,661

MANNINGTON TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015

	Food Service Fund	Total	
		2015	2014
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 29,448	\$ 29,448	\$ 31,008
Payments to Employees	(23,423)	(23,423)	(23,082)
Payments for Employee Benefits	(1,767)	(1,767)	(1,766)
Payments to Suppliers	(65,973)	(65,973)	(63,732)
Net Cash Used by Operating Activities	<u>(61,715)</u>	<u>(61,715)</u>	<u>(57,572)</u>
Cash Flows from Noncapital Financing Activities			
Operating Transfer In-General Fund	26,000	26,000	21,500
Cash Received from State and Federal Reimbursements	39,452	39,452	35,905
Net Cash Provided by Noncapital Financing Activities	<u>65,452</u>	<u>65,452</u>	<u>57,405</u>
Net Increase (Decrease) in Cash	3,737	3,737	(167)
Cash and Cash Equivalents, July 1 (Overdraft)	(1,529)	(1,529)	(1,362)
Cash and Cash Equivalents, June 30 (Overdraft)	<u>\$ 2,208</u>	<u>\$ 2,208</u>	<u>\$ (1,529)</u>
Operating Income (Loss)	\$ (62,187)	\$ (62,187)	\$ (58,396)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	211	211	543
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	22	22	(478)
(Increase)/Decrease in Inventory			173
Increase/(Decrease) in Unearned Revenue	239	239	586
Total Adjustments	<u>472</u>	<u>472</u>	<u>824</u>
Net Cash Used by Operating Activities	<u>\$ (61,715)</u>	<u>\$ (61,715)</u>	<u>\$ (57,572)</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS:		
Accounts Receivable (Jersey City)	\$ -	\$ 15,266
Total Assets	<u>\$ -</u>	<u>\$ 15,266</u>
LIABILITIES:		
Cash Overdraft	\$ -	\$ 15,266
Total Liabilities	<u>\$ -</u>	<u>\$ 15,266</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2015 AND 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES:		
Salaries - Other Instruction	\$ 11,809	\$ 11,700
Total Operating Revenue	<u>11,809</u>	<u>11,700</u>
OPERATING EXPENSES:		
Salaries-Other Professional	7,022	7,022
Employee Benefits	4,787	4,678
Total Operating Expenses	<u>11,809</u>	<u>11,700</u>
Net Income (Loss)	<u> </u>	<u> </u>
Net Position - July 1	<u> </u>	<u> </u>
Net Position - June 30	<u>\$ -</u>	<u>\$ -</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$	\$
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities		
(Increase)/Decrease in Accounts Receivable		
Increase/(Decrease) in Unearned Revenue		
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities		
	<hr/>	<hr/>
Cash Flows from Non-capital Financing Activities:		
Cash Received from General Fund	15,266	6,384
	<hr/>	<hr/>
Net Cash Provided by Non-capital Financing Activities	15,266	6,384
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets		
	<hr/>	<hr/>
Net Cash Used for Capital and Related Financing Activities		
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	15,266	6,384
	<hr/>	<hr/>
Cash and Cash Equivalents, July 1	(15,266)	(21,650)
	<hr/>	<hr/>
Cash and Cash Equivalents, June 30 (Overdraft)	\$ -	\$ (15,266)
	<hr/> <hr/>	<hr/> <hr/>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>Student</u> <u>Activity</u>	<u>Payroll</u>	<u>Total</u>	
			<u>2015</u>	<u>2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 19,082	\$ 22,908	\$ 41,990	\$ 37,577
Total Assets	<u>\$ 19,082</u>	<u>\$ 22,908</u>	<u>\$ 41,990</u>	<u>\$ 37,577</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Due to Student Groups	\$ 19,082	\$	\$ 19,082	\$ 16,087
Due to General fund				3,204
Medical Reimbursement Plan		22,908	22,908	18,286
Total Liabilities	<u>\$ 19,082</u>	<u>\$ 22,908</u>	<u>\$ 41,990</u>	<u>\$ 37,577</u>

MANNINGTON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
Elementary School	\$ 16,087	\$ 30	\$ 22,081	\$ 19,116	\$	\$ 19,082
Band Account					\$	1,398
General						4,379
Playground						51
Smile Train						2
Box Tops						1,314
8th Grade						3,490
Garden						1,016
Interest & Other						4,547
Student Council						232
Science Environmental Award						2
Fuel up to Play 60 Incentives						2,051
2015-2016 8th Grade						600
Total					\$	19,082

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 21,490	\$ 1,631,070	\$ 1,629,652	\$ 22,908
	<u>\$ 21,490</u>	<u>\$ 1,631,070</u>	<u>\$ 1,629,652</u>	<u>\$ 22,908</u>
LIABILITIES:				
Net Payroll	\$	\$ 879,229	\$ 879,229	\$
Payroll Deductions and Withholdings Due to General Fund	3,204	737,590	737,590	
Medical Reimbursement Plan	18,286	14,251	9,629	22,908
Total Liabilities	<u>\$ 21,490</u>	<u>\$ 1,631,070</u>	<u>\$ 1,629,652</u>	<u>\$ 22,908</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATION UNDER SERIAL BONDS
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Renovations to the Elementary School	3/1/06	\$ 2,218,000	3/1/16	\$ 110,000	4.182%				
			3/1/17	115,000					
			3/1/18	120,000					
			3/1/19	125,000					
			3/1/20	130,000					
			3/1/21	135,000					
			3/1/22	140,000					
			3/1/23-24	145,000					
			3/1/25	150,000					
			3/1/26	148,000					
						\$ 1,563,000	\$	\$ 100,000	\$ 1,463,000

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATION UNDER CAPITAL LEASE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
			<u>Principal</u>	<u>Interest</u>					
Roof Replacement Project	7/1/00	15 years	\$ 400,000	\$ 214,056	6.204%	\$ 37,066	\$	\$ 37,066	\$ -
Total						\$ 37,066	\$	\$ 37,066	\$ -

MANNINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources					
Local Tax Levy	\$ 135,137	\$	\$ 135,137	\$ 135,137	\$
State Sources					
Debt Service Aid - Type II	69,618		69,618	69,618	
Total Revenues	<u>204,755</u>		<u>204,755</u>	<u>204,755</u>	
EXPENDITURES:					
Regular Debt Service					
Redemption of Bond Principal	100,000		100,000	100,000	
Redemption of Capital Lease Principal	37,066		37,066	37,066	
Interest on Bonds	65,390		65,390	65,390	
Interest on Capital Lease	2,299		2,299	2,299	
Total Expenditures	<u>204,755</u>		<u>204,755</u>	<u>204,755</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance - July 1, 2014	5		5	5	
Fund Balance - June 30, 2015	<u>\$ 5</u>	<u>\$</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$</u>

STATISTICAL SECTION

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ (1,570,583)	\$ (278,802)	\$ (146,614)	\$ (99,512)	\$ (176,388)	\$ (174,709)	\$ (280,504)	\$ (170,290)	\$ (133,151)	\$ (106,897)
Restricted	1,790,058	416,562	300,623	308,503	194,308	201,286	296,866	236,930	111,476	274,249
Unrestricted	27,309	214,224	213,443	137,058	110,390	111,369	183,990	27,717	49,339	(718,844)
Total Governmental Activities Net Position	\$ 246,784	\$ 351,984	\$ 367,452	\$ 346,049	\$ 128,310	\$ 137,946	\$ 200,352	\$ 94,357	\$ 27,664	\$ (551,492)
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 6,135	\$ 5,803	\$ 5,471	\$ 5,139	\$ 4,807	\$ 7,686	\$ 7,144	\$ 5,004	\$ 4,461	\$ 2,372
Unrestricted	4,823	8,668	14,621	24,357	34,216	20,657	1,051	648	200	3,676
Total Business-Type Activities Net Position	\$ 10,958	\$ 14,471	\$ 20,092	\$ 29,496	\$ 39,023	\$ 28,343	\$ 8,195	\$ 5,652	\$ 4,661	\$ 6,048
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ (1,564,448)	\$ (272,999)	\$ (141,143)	\$ (94,373)	\$ (171,581)	\$ (167,023)	\$ (273,360)	\$ (165,286)	\$ (128,690)	\$ (104,525)
Restricted	1,790,058	416,562	300,623	308,503	194,308	201,286	296,866	236,930	111,476	274,249
Unrestricted	32,132	222,892	228,064	161,415	144,606	132,026	185,041	28,365	49,539	(715,168)
Total District-Wide Net Position	\$ 257,742	\$ 366,455	\$ 387,544	\$ 375,545	\$ 167,333	\$ 166,289	\$ 208,547	\$ 100,009	\$ 32,325	\$ (545,444)

Source: CAFR Schedule A-1

MANNINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 868,918	936,682	982,172	1,021,115	1,021,209	1,022,099	1,055,363	1,080,289	1,106,427	1,153,334
Special Education	288,348	191,799	198,951	208,938	226,452	195,531	166,555	174,368	173,722	90,145
Other Special Education	3,346	2,062	3,300	3,300	1,100					
Other Instruction	1,131	5,601	8,156	719	1,531	1,565	1,222	1,016	1,397	548
Support Services										
Tuition	594,159	519,311	563,281	531,577	599,893	366,720	434,999	417,605	527,318	507,963
Student and Instruction Related Services	169,393	257,862	268,909	292,475	323,817	332,623	366,400	351,150	326,640	294,313
General Administrative Services	104,011	104,069	96,244	95,053	94,020	53,654	57,669	57,703	65,899	84,324
School Administrative Services	52,871	52,566	46,614	48,590	48,931	98,188	92,607	90,222	107,832	94,505
Central Services	71,512	68,125	75,219	74,448	82,963	86,320	88,891	90,505	92,039	89,483
Plant Operations and Maintenance	177,872	172,627	179,771	205,318	204,116	201,174	192,824	199,831	217,577	208,516
Pupil Transportation	188,861	198,814	198,204	211,450	238,042	251,364	276,904	236,136	199,350	215,638
Employee Benefits	646,710	721,648	784,334	646,696	673,578	772,498	774,539	862,689	763,130	973,975
Amortization of Debt Issue Costs	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789		
Interest on Long-Term Debt	48,333	105,633	101,421	96,477	91,704	88,505	79,596	76,053	70,214	63,995
Total Governmental Activities Expense	3,217,254	3,338,588	3,508,365	3,437,945	3,609,145	3,472,030	3,589,358	3,637,567	3,651,545	3,776,739
Business-Type Activities										
Food Service										
Food Service	68,471	68,026	78,045	77,179	81,222	74,830	85,586	95,512	89,404	91,635
Total Business-Type Activities Expense	68,471	68,026	78,045	77,179	81,222	74,830	85,586	95,512	89,404	91,635
Total District Expenses	\$ 3,285,725	3,406,614	3,586,410	3,515,124	3,690,367	3,546,860	3,674,944	3,733,079	3,740,949	3,868,374
Program Revenues										
Governmental Activities										
Charge for Services										
Instruction (Tuition)	\$ 65,103					26,200	62,517	13,338	11,700	11,809
Operating Grants and Contributions	303,695	591,753	595,107	325,358	349,632	350,409	399,852	409,855	369,495	311,987
Total Governmental Activities Prog. Revenues	368,798	591,753	595,107	325,358	349,632	376,609	462,369	423,193	381,195	323,796
Business-Type Activities										
Charges for Services										
Food Service	27,480	28,772	35,105	38,291	33,657	27,767	32,591	32,622	31,008	29,448
Operating Grants and Contributions	26,353	27,767	33,561	33,292	45,092	36,383	31,000	39,944	35,905	39,452
Total Business-Type Activities Prog. Revenues	53,833	56,539	68,666	71,583	78,749	64,150	63,591	72,566	66,913	68,900
Total District Program Revenues	\$ 422,631	648,292	663,773	396,941	428,381	440,759	525,960	495,759	448,108	392,696
Net (Expense) Revenues										
Governmental Activities										
Governmental Activities	\$ (2,848,456)	(2,746,835)	(2,913,258)	(3,112,587)	(3,259,513)	(3,095,421)	(3,126,989)	(3,214,374)	(3,270,350)	(3,452,943)
Business-Type Activities										
Business-Type Activities	(14,638)	(11,487)	(9,379)	(5,596)	(2,473)	(10,680)	(21,995)	(22,946)	(22,491)	(22,735)
Total District-Wide Net Expenses	\$ (2,863,094)	(2,758,322)	(2,922,637)	(3,118,183)	(3,261,986)	(3,106,101)	(3,148,984)	(3,237,320)	(3,292,841)	(3,475,678)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purpose, Net \$	1,870,090	2,052,703	2,131,540	2,216,802	2,305,465	2,307,927	2,311,434	2,357,663	2,404,816	2,571,505
Taxes Levied for Debt Service	23,621	123,574	121,775	119,974	121,173	131,178	132,367	133,422	134,346	135,137
Unrestricted Grants and Contributions	763,050	607,690	625,551	714,275	673,116	612,750	664,293	605,108	620,492	985,912
Restricted Grants, Tuition and Contributions										
Tuition	98,772	35,460	34,803	48,768	47,749	48,940	83,984	63,625	60,297	62,267
Investment Earnings	57,037	57,579	28,641	5,781	2,526	2,126	1,771	1,575	992	1,134
Miscellaneous Income	1,853	6,494	1,416	584	2,533	2,136	8,795	9,713	4,214	5,231
Transfers	(12,000)	(15,000)	(15,000)	(15,000)	(12,000)		(1,847)	(22,000)	(21,500)	(26,000)
Fixed Assets Adjustments	17,711	(16,465)		(98,788)			(11,402)	(17,463)		
Total Governmental Activities	2,820,134	2,852,035	2,928,726	3,091,184	3,041,774	3,105,057	3,189,395	3,131,643	3,203,657	3,735,186
Business-Type Activities										
Fixed Asset Adjustments	3,894							(1,597)		(1,878)
Transfers	12,000	15,000	15,000	15,000	12,000		1,847	22,000	21,500	26,000
Total Business-Type Activities	15,894	15,000	15,000	15,000	12,000		1,847	20,403	21,500	24,122
Total District-Wide	\$ 2,836,028	2,867,035	2,943,726	3,106,184	3,053,774	3,105,057	3,191,242	3,152,046	3,225,157	3,759,308
Change in Net Position										
Governmental Activities										
Governmental Activities	\$ (28,322)	105,200	15,468	(21,403)	(217,739)	9,636	62,406	(82,731)	(66,693)	282,243
Business-Type Activities										
Business-Type Activities	1,256	3,513	5,621	9,404	9,527	(10,680)	(20,148)	(2,543)	(991)	1,387
Total District-Wide	\$ (27,066)	108,713	21,089	(11,999)	(208,212)	(1,044)	42,258	(85,274)	(67,684)	283,630

Source: CAFR Schedule A-2

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted	\$ 392,330	\$ 335,105	\$ 295,003	\$ 308,955	\$ 155,072	\$ 208,427	\$ 304,696	\$ 243,124	\$ 117,071	\$ 279,485
Assigned									1,799	27,657
Unassigned	78,687	228,405	254,673	187,444	224,560	198,249	191,493	183,833	183,766	201,763
Total General Fund	\$ 471,017	\$ 563,510	\$ 549,676	\$ 496,399	\$ 379,632	\$ 406,676	\$ 496,189	\$ 426,957	\$ 302,636	\$ 508,905
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:										
Special Revenue Fund	(7,672)	(7,671)	(8,546)	(6,634)	(6,801)	(7,144)	(7,831)	(6,199)	(5,600)	(5,241)
Capital Projects Fund	1,398,338	105,733	19,588	8,248						
Debt Service Fund			2	2	3	3	4	5	5	5
Total All Other Governmental Funds	\$ 1,390,666	\$ 98,062	\$ 11,044	\$ 1,616	\$ (6,798)	\$ (7,141)	\$ (7,827)	\$ (6,194)	\$ (5,595)	\$ (5,236)

Source: CAFR Schedule B-1

MANNINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 1,893,711	\$ 2,176,277	\$ 2,253,315	\$ 2,336,776	\$ 2,426,638	\$ 2,439,105	\$ 2,443,801	\$ 2,491,085	\$ 2,539,162	\$ 2,706,642
Tuition Charges	98,772	35,460	34,803	48,768	47,749	48,940	83,984	63,625	60,297	62,267
Interest Earnings	57,037	57,579	28,641	5,781	2,526	2,126	1,771	1,575	992	1,134
Miscellaneous	1,853	14,994	4,416	6,173	2,533	2,136	8,795	9,713	4,214	5,231
State Sources	931,953	1,070,187	1,108,415	923,030	868,221	833,126	915,976	916,374	877,243	929,991
Federal Sources	134,792	120,756	109,243	115,603	154,527	130,033	148,169	98,589	112,744	87,104
Total Revenues	3,118,118	3,475,253	3,538,833	3,436,131	3,502,194	3,455,466	3,602,496	3,580,961	3,594,652	3,792,369
Expenditures										
Instruction										
Regular Instruction	860,055	902,798	947,361	984,633	959,868	954,585	988,494	1,012,742	1,037,017	1,084,350
Special Education Instruction	222,638	184,861	191,823	201,468	213,892	192,712	163,762	171,547	170,823	87,264
Other Special Instruction	3,300	2,062	3,300	3,300	1,100					
Other instruction	1,131	5,398	7,947	500	1,163	1,164	825	615	985	138
Support Services										
Tuition	594,159	519,311	563,281	531,577	599,893	366,720	434,999	417,605	527,318	507,963
Student and Instruction Related Services	167,659	248,534	259,326	282,432	306,931	287,831	285,469	319,211	295,826	263,507
General administration	102,946	100,304	92,376	90,999	87,204	49,867	50,238	50,196	62,005	76,658
School Administrative Services	52,330	50,665	44,661	46,543	45,489	90,685	88,856	86,433	100,119	90,636
Other Administrative Services										
Central Services	70,780	65,661	72,688	71,795	78,502	81,412	84,030	85,595	86,993	84,469
Plant Operations and Maintenance	176,051	166,382	173,355	198,594	192,810	188,728	180,497	187,379	204,783	195,799
Pupil Transportation	188,861	198,814	198,204	211,450	238,042	251,364	276,904	236,136	199,350	215,638
Employee Benefits	656,735	717,013	768,044	644,626	656,868	754,428	757,196	827,594	779,580	738,838
Capital Outlay	831,161	1,292,605	99,364	15,963	31,658	10,513		29,349	28,519	9,726
Debt Service										
Principal	21,564	97,902	99,323	100,831	107,434	109,136	115,943	122,863	129,902	137,066
Interest and Other Charges	17,803	108,054	103,632	99,125	94,521	89,620	84,612	79,292	73,654	67,689
Total Expenditures	3,967,173	4,660,364	3,624,685	3,483,836	3,615,375	3,428,765	3,511,825	3,626,557	3,696,874	3,559,741
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(849,055)	(1,185,111)	(85,852)	(47,705)	(113,181)	26,701	90,671	(45,596)	(102,222)	232,628
Other Financing Sources (Uses)										
Bond Proceeds	2,218,000									
Transfers Out	(12,000)	(15,000)	(15,000)	(15,000)	(12,000)		(1,847)	(22,000)	(21,500)	(26,000)
Total Other Financing Sources (Uses)	2,206,000	(15,000)	(15,000)	(15,000)	(12,000)		(1,847)	(22,000)	(21,500)	(26,000)
Net Change in Fund Balances	\$ 1,356,945	\$ (1,200,111)	\$ (100,852)	\$ (62,705)	\$ (125,181)	\$ 26,701	\$ 88,824	\$ (67,596)	\$ (123,722)	\$ 206,628
Debt Service as a Percentage of										
Noncapital Expenditures	1.0%	4.4%	5.6%	5.7%	5.6%	5.8%	5.7%	5.6%	5.5%	5.8%

Source: CAFR Schedule B-2

MANNINGTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Misc.</u>	<u>Total</u>
2015	\$ 1,134	\$ 62,267	\$ 1,967	\$ 65,368
2014	992	60,297	4,214	65,503
2013	1,575	63,625	6,787	71,987
2012	1,771	48,940	2,136	52,847
2011	2,126	48,940	2,136	53,202
2010	2,526	47,749	1,533	51,808
2009	5,781	48,768	5,173	59,722
2008	28,641	34,803	1,416	64,860
2007	47,747	35,460	14,994	98,201 *
2006	35,815	98,772	2,379	136,966

Source: District Records

MANNINGTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2015	\$ 4,322,800	\$ 70,801,000	\$ 47,495,600	\$ 7,620,600	\$ 47,638,400	\$ 36,209,600	\$ 214,088,000	\$ 796,500	\$ 214,884,500	1.273	\$ 207,690,719 *
2014	4,240,200	71,041,000	47,705,900	7,632,300	47,885,900	37,709,600	216,214,900	475,531	216,690,431	1.250	214,068,000
2013	4,239,400	70,875,700	48,270,600	7,634,900	47,635,900	41,984,600	220,641,100	656,193	221,297,293	1.148	220,641,100
2012	4,341,400	71,591,800	48,404,200	7,557,100	48,284,100	41,984,600	222,163,200	683,136	222,846,336	1.118	225,615,111
2011	4,122,500	71,392,300	46,769,600	7,634,900	44,220,900	41,984,600	216,124,800	716,136	216,840,936	1.127	211,460,478
2010	4,397,400	71,794,100	46,640,600	7,667,000	44,902,300	41,984,600	217,386,000	921,836	218,307,836	1.117	211,460,478
2009	4,410,700	70,180,800	47,490,900	7,827,900	45,095,300	41,984,600	216,990,200	941,055	217,931,255	1.115	214,196,524
2008	3,672,000	68,437,300	47,239,500	7,592,600	45,095,300	52,645,400	224,682,100	866,372	225,548,472	1.037	211,143,852
2007	3,587,000	68,537,100	45,892,800	7,591,300	45,123,000	52,645,400	223,376,600	795,516	224,172,116	1.005	206,255,965
2006	3,490,500	67,886,000	45,199,600	7,609,500	45,275,000	52,645,400	222,106,000	795,516	222,901,516	1.523	192,254,545

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

* Estimate

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)**

Year Ended June 30,	Mannington Township Board of Education			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Mannington Township	Salem County	REAP CREDIT	Total
2015	\$ 1.209	\$ 0.064	\$ 1.273	\$ 0.301	\$ 0.949	\$	\$ 2.523
2014	1.184	0.066	1.250	0.297	0.898		2.445
2013	1.087	0.061	1.148	0.297	0.941		2.386
2012	1.057	0.061	1.118	0.298	0.972		2.388
2011	1.066	0.061	1.127	0.288	0.919		2.334
2010	1.061	0.056	1.117	0.288	0.855		2.260
2009	1.058	0.057	1.115	0.273	0.872	-0.017	2.243
2008	0.981	0.056	1.037	0.229	0.894		2.160
2007	0.948	0.057	1.005	0.209	0.807	-0.066	1.955
2006	1.504	0.019	1.523	0.105	1.454		3.082

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Taxpayer</u>	<u>2015</u>		<u>2005</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Mannington Mills, Inc.	\$ 36,749,000	16.96%	\$	
Salem Hospital Corp	34,175,800	15.77%		
Golden Rehab & Nursing	4,065,000	1.88%		
Four B's	1,450,000	0.67%		
Individual Taxpayer #1	1,434,500	0.66%		
Marino Brothers	1,155,800	0.53%		Not Available
ISE America, Inc	1,122,700	0.52%		
ACJM & M Enterprises	1,025,000	0.47%		
Waldac Farm	967,200	0.45%		
Individual Taxpayer #2	918,500	0.42%		
Total	\$ 83,063,500	38.33%	\$ -	-

Source: District CAFR & Municipal Tax Assessor

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the Fiscal</u> <u>Year</u>	<u>Collected Within the Fiscal</u> <u>Year of the Levy</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>% of Levy</u>	
2015	\$ 2,706,642	\$ 2,706,642	100%	\$
2014	2,539,162	2,539,162	100%	
2013	2,491,085	2,491,085	100%	
2012	2,443,801	2,443,801	100%	
2011	2,439,105	2,439,105	100%	
2010	2,426,638	2,426,638	100%	
2009	2,336,776	2,336,776	100%	
2008	2,253,315	2,253,315	100%	
2007	2,176,547	2,176,547	100%	
2006	1,893,711	1,893,711	100%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2015	\$ 1,463,000	\$ -	\$		\$	1,463,000	1.94%	\$ 823
2014	1,563,000	37,066				1,600,066	2.13%	894 *
2013	1,658,000	71,968				1,729,968	2.31%	959
2012	1,748,000	104,831				1,852,831	2.49%	1,026
2011	1,833,000	135,774				1,968,774	2.75%	1,092
2010	1,913,000	164,910				2,077,910	3.40%	1,375
2009	1,993,000	192,344				2,185,344	3.68%	1,443
2008	2,068,000	218,175				2,286,175	4.07%	1,551
2007	2,143,000	242,498				2,385,498	4.38%	1,581
2006	2,218,000	265,400				2,483,400	4.84%	1,701

* Estimate

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

MANNINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	\$ 1,463,000	\$	\$ 1,463,000	0.704%	\$ 823 *
2014	1,563,000		1,563,000	0.730%	874
2013	1,658,000		1,658,000	0.751%	919
2012	1,748,000		1,748,000	0.775%	968
2011	1,833,000		1,833,000	0.867%	1,017
2010	1,913,000		1,913,000	0.876%	1,229
2009	1,993,000		1,993,000	0.915%	1,281
2008	2,068,000		2,068,000	0.917%	1,326
2007	2,143,000		2,143,000	0.956%	1,379
2006	2,218,000		2,218,000	0.995%	1,429

* Estimate

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Mannington	\$ 210,000	100.00%	\$ 210,000
Other Debt			
County of Salem - Township's Share	40,278,964	3.87%	1,558,934
Subtotal, Overlapping Debt			<u>1,768,934</u>
Mannington Township School District Direct Debt			<u>1,463,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 3,231,934</u></u>

Sources: Mannington Township Finance Officer and Salem County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mannington. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis
	2014 \$ 201,448,710
	2013 201,241,426
	2012 212,983,607
	<u>[A] \$ 615,673,743</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 205,224,581</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] 6,156,737 a</u>
Net Bonded School Debt	<u>[C] 1,463,000</u>
Legal Debt Margin	<u>[B-C] \$ 4,693,737</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 5,083,753	\$ 5,470,602	\$ 5,792,679	\$ 6,088,936	\$ 6,278,897	\$ 6,420,777	\$ 6,452,586	\$ 6,521,149	\$ 6,337,079	\$ 6,156,737
Total Net Debt Applicable to Limit	2,218,000	2,143,000	2,068,000	1,993,000	1,913,000	1,833,000	1,748,000	1,658,000	1,563,000	1,463,000
Legal Debt Margin	<u>\$ 2,865,753</u>	<u>\$ 3,327,602</u>	<u>\$ 3,724,679</u>	<u>\$ 4,095,936</u>	<u>\$ 4,365,897</u>	<u>\$ 4,587,777</u>	<u>\$ 2,643,313</u>	<u>\$ 4,863,149</u>	<u>\$ 4,774,079</u>	<u>\$ 4,693,737</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	44%	39%	36%	33%	30%	29%	27%	25%	25%	24%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

MANNINGTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2015	** 1,765	\$ 75,595,804	\$ 42,841	7.70%
2014	1,777	75,374,956	42,417	7.80%
2013	1,789	75,132,633	41,997	9.60%
2012	1,804	74,956,200	41,550	7.90%
2011	1,806	74,295,228	41,138	7.70%
2010	1,803	71,562,873	39,691	8.10%
2009	1,556	60,641,988	38,973	7.60%
2008	1,560	60,986,640	39,094	4.40%
2007	1,554	57,525,972	37,018	3.50%
2006	1,552	54,909,760	35,380	3.50%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

MANNINGTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2015</u>			<u>2006</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Mannington Mills, Inc	610	1	36.64%		
Memorial Hospital of Salem	600	2	36.04%		
Salem County Correctional Fac.	170	3	10.21%		
Salem County VoTech School	154	4	9.25%		Not Available
Salem County Nursing Home	100	5	6.01%		
Mannington Twp School	31	6	1.86%		
	<u>1,665</u>		<u>100.0%</u>		

MANNINGTON TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	10.0	13.3	14.5	14.8	15.2	14.8	14.8	14.8	14.8	14.8
Special Education	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Other Special Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Instruction	5.0	6.5	6.5	7.0	7.0	5.0	5.5	5.5	5.5	5.0
Nonpublic School Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/Continuing Education Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Student & Instruction Related Services	6.0	1.5	0.8	0.8	0.8	0.6	0.6	0.6	0.6	0.6
General Administrative Services	4.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
School Administrative Services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Business Administrative Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plant Operations and Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Pupil Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Totals	<u>33.0</u>	<u>30.3</u>	<u>30.3</u>	<u>31.1</u>	<u>31.5</u>	<u>28.9</u>	<u>29.4</u>	<u>29.4</u>	<u>29.4</u>	<u>27.9</u>

Source: District Personnel Records

MANNINGTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	159	\$ 3,168,921	19,930	22.58%	21.0	1:13	159.3	153.6	-12.28%	96.42%
2007	153	3,176,803	20,763	4.18%	21.0	1:13	153.9	147.8	-3.39%	96.04%
2008	174	3,337,366	19,180	-7.62%	21.0	1:12	172.2	164.7	11.89%	95.64%
2009	175	3,282,917	18,760	-2.19%	21.0	1:12	172.3	165.2	0.06%	95.88%
2010	188	3,413,420	18,156	-3.21%	21.0	1:11	190.3	181.6	10.45%	95.43%
2011	171	3,230,009	18,889	4.03%	20.0	1:11	177.7	170.6	-6.62%	96.00%
2012	152	3,311,270	21,785	15.33%	20.0	1:13	166.8	159.9	-6.13%	95.86%
2013	183	3,424,402	18,713	-14.10%	20.0	1:13	178.9	174.2	7.25%	97.37%
2014	178	3,493,318	19,625	4.88%	18.0	1:13	176.0	169.2	-1.62%	96.14%
2015	181	3,354,986	18,536	-5.55%	16.0	1:11	181.2	172.7	2.93%	95.33%

Sources: District records, ASSA.

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
Mannington Township School(19..)										
Square Feet	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318	27,318
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	159	153	174	175	188	171	167	183	183	181

Number of Schools at June 30, 2015
Elementary = 1

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

MANNINGTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Mannington Township School	27,318	\$ 36,083	\$ 39,939	\$ 35,933	\$ 37,135	\$ 37,139	\$ 34,476	\$ 16,116	\$ 5,792	\$ 7,744	\$ 15,518
Total School Facilities		<u>36,083</u>	<u>39,939</u>	<u>35,933</u>	<u>37,135</u>	<u>37,139</u>	<u>34,476</u>	<u>16,116</u>	<u>5,792</u>	<u>7,744</u>	<u>15,518</u>
Other Facilities											
Grand Total		<u>\$ 36,083</u>	<u>\$ 39,939</u>	<u>\$ 35,933</u>	<u>\$ 37,135</u>	<u>\$ 37,139</u>	<u>\$ 34,476</u>	<u>\$ 16,116</u>	<u>\$ 5,792</u>	<u>\$ 7,744</u>	<u>\$ 15,518</u>

* Data not available for FY 2001

MANNINGTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey School Boards Association Insurance Group	Blanket Building & Personal Property	\$ 4,836,404	\$ 1,000
	Commercial General Liability	6,000,000	
	Commercial Inland Marine	268,025	1,000
	Boiler and Machinery	100,000,000	1,000
	Commercial Crime	100,000	1,000
	Legal Liability	5,000,000	5,000
	Business Automobile	6,000,000	1,000
	Workers' Compensation	2,000,000	
Berkley Insurance Co. / McCloskey Insurance Co.	Compulsory Student Accident	1,000,000	
Markel Insurance Company	Catastrophic Student Accident Coverage		
	Maximum Benefit per Participant	5,000,000	
	Cash Benefit - Maximum Benefit	500,000	25,000
The Ohio Casualty Insurance Company	Surety Bonds		
	Board Secretary/Business Administrator	150,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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November 17, 2015

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Mannington Township School District
County of Salem, New Jersey 08079

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Mannington Township School District's basic financial statements and have issued our report thereon dated November 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Mannington Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mannington Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Mannington Township Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mannington Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

There was one immaterial matter identified to be reported to the Board of Education of the Mannington Township School District in a separate report entitled, *Auditor's Management Report on Administrative Findings-Financial, Compliance and Performance* dated November 17, 2015, labeled 2015-1.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Mannington Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

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November 17, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT OF
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Mannington Township School District
County of Salem, New Jersey 08079

Report on Compliance for Each Major Program

We have audited the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the ***New Jersey State Aid/Grant Compliance Supplement*** that could have a direct and material effect on each of Mannington Township School District's major state programs for the fiscal year ended June 30, 2015. The Mannington Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Mannington Township Board of Education's federal and state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; the audit requirements as prescribed by the office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04 and/or 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***. Those standards and New Jersey OMB's Circular 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Mannington Township Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Mannington Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Mannington Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Mannington Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Mannington Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey's OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mannington Township School District's Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

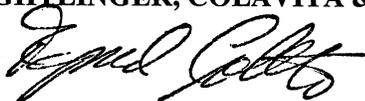
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance or deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled ***Auditor's Management Report on Administrative Findings- Financial, Compliance and Performance*** dated November 17, 2015. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended solely for the information and use of the audit committee, management, the Mannington Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant No. 915

**TOWNSHIP OF MANNINGTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2015		
				From	To	Accounts Receivable	Unearned Revenue	Due to Grantor				Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I, Part A	84.010A	NCLB-2950-15	29,907	7/1/14	6/30/15									
Title II, Part A	84.367A	NCLB-2950-15	5,768	7/1/14	6/30/15				\$29,907	(\$29,907)				
Title II, Part A	84.367A	NCLB-2950-14	5,510	7/1/13	6/30/14	\$ (1,656)			5,768	(5,768)				
I.D.E.A. Part B, Basic Regular	84.027	IDEA-2950-15	51,370	7/1/14	6/30/15				1,656					
I.D.E.A. Part B, Pre-School	84.173	IDEAPS-2950-15	688	7/1/14	6/30/15				51,370	(51,370)				
Rural Education Achievement Prog	84.358A	S358A143425	19,471	7/1/14	9/30/15				688	(688)				
Rural Education Achievement Prog	84.358A	S358A133425	19,054	7/1/13	9/30/14	(10,696)			3,041	(19,471)	(\$16,430)			
Total Special Revenue Fund						(12,352)			103,126	(107,204)	(16,430)			
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.565	N/A	8,783	7/1/14	6/30/15				8,783	(8,783)				
National School Breakfast Program	10.553	N/A	5,880	7/1/13	6/30/14	(517)			517					
National School Breakfast Program	10.553	N/A	5,683	7/1/14	6/30/15				5,242	(5,683)	(441)			
National School Lunch Program	10.555	N/A	21,438	7/1/13	6/30/14	(1,715)			1,715					
National School Lunch Program	10.555	N/A	24,291	7/1/14	6/30/15				22,542	(24,291)	(1,749)			
Total Enterprise Fund						(2,232)			38,799	(38,757)	(2,190)			
Total Federal Financial Assistance						(\$14,584)			\$141,925	(\$145,961)	(\$18,620)			

See accompanying notes to schedules of financial assistance

**TOWNSHIP OF MANNINGTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014 Accounts Receivable	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balances at June 30, 2015			MEMO	
			From	To					(Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	15-495-034-5120-078	\$33,846	7/1/14	6/30/15			\$30,918	(\$33,846)	(\$2,928)		*	\$2,928	(\$33,846)
Equalization Aid	14-495-034-5120-078	33,846	7/1/13	6/30/14	(\$3,993)		3,993						
Transportation Aid	15-495-034-5120-014	117,432	7/1/14	6/30/15			\$107,271	(117,432)	(10,161)		*	10,161	(117,432)
Transportation Aid	14-495-034-5120-014	117,432	7/1/13	6/30/14	(13,854)		13,854						
Special Education Categorical Aid	15-495-034-5120-089	101,080	7/1/14	6/30/15			\$92,334	(101,080)	(8,746)		*	8,746	(101,080)
Special Education Categorical Aid	14-495-034-5120-089	101,080	7/1/13	6/30/14	(\$11,924)		11,924						
Security Aid	15-495-034-5120-084	29,905	7/1/14	6/30/15			\$27,317	(29,905)	(2,588)		*	2,588	(29,905)
Security Aid	14-495-034-5120-084	29,905	7/1/13	6/30/14	(\$3,528)		3,528						
Adjustment Aid	15-495-034-5120-085	274,086	7/1/14	6/30/15			\$250,370	(274,086)	(23,716)		*	23,716	(274,086)
Adjustment Aid	14-495-034-5120-085	274,086	7/1/13	6/30/14	(32,334)		32,334						
PARCC Readiness Aid	15-495-034-5120-098	1,570	7/1/14	6/30/15			\$1,434	(1,570)	(136)		*	136	(1,570)
Per Pupil Growth Aid	15-495-034-5120-097	1,570	7/1/14	6/30/15			\$1,434	(1,570)	(136)		*	136	(1,570)
Non-public Transportation	15-495-034-5120-014	174	7/1/14	6/30/15				(174)	(174)		*		(174)
Non-public Transportation	14-495-034-5120-014	169	7/1/13	6/30/14	(169)		169						
Reimbursed TPAF SS Contribution	15-495-034-5094-003	77,840	7/1/14	6/30/15			77,840	(77,840)			*		(77,840)
Total General Fund					(65,802)		654,720	(637,503)	(48,585)			48,411	(637,503)
Special Revenue Fund:													
Preschool Education Aid	15-495-034-5120-086	52,410	7/1/14	6/30/15			47,169	(52,410)	(5,241)		*	5,241	(52,410)
Preschool Education Aid	14-495-034-5120-086	56,001	7/1/13	6/30/14	(5,600)		5,600						
Total Special Revenue Fund					(5,600)		52,769	(52,410)	(5,241)			5,241	(52,410)
Debt Service Fund:													
Debt Service Aid Type II	15-495-034-5120-017	69,618	7/1/14	6/30/15			69,618	(69,618)			*		(69,618)
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	15-100-010-3350-023	695	7/1/14	6/30/15			627	(695)	(68)		*		(695)
State School Lunch Program	14-100-010-3350-023	666	7/1/13	6/30/14	(89)		89						
Total Enterprise Fund					(89)		716	(695)	(68)				(695)
Total State Financial Assistance Subject to OMB 04-04/15-08					(\$71,491)		\$777,823	(\$760,226)	(\$53,894)			\$53,652	(\$760,226)
On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08													
On-Behalf TPAF Post Retirement Medical	15-495-034-5094-001	93,795	7/1/14	6/30/15			\$93,795	(\$93,795)					
On-Behalf TPAF Pension Contribution	15-495-034-5094-006	59,084	7/1/14	6/30/15			59,084	(59,084)					
Total State Financial Assistance							\$930,702	(\$913,105)					

See accompanying notes to schedules of financial assistance

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Mannington Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state June aid payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$17,222 for the general fund and (\$19,741) for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

MANNINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2015

(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 807,604	\$ 807,604
Special Revenue Fund	87,104	52,769	139,873
Debt Service		69,618	69,618
Food Service Fund	<u>38,757</u>	<u>695</u>	<u>39,452</u>
Total Financial Assistance	\$ <u>125,861</u>	\$ <u>930,686</u>	\$ <u>1,056,547</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Mannington School District had no federal or state loan balances outstanding at June 30, 2015.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-078	Equalization Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

Finding: NONE

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement: Condition:

Questioned Costs:

Effect:

Cause:

Recommendation:

Management's response:

STATE FINANCIAL ASSISTANCE

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**MANNINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

STATUS OF PRIOR - YEAR FINDINGS

NONE